

Declaration of Michael D. Poling

1. My name is Michael D. Poling. My business address is 1166 Avenue of the Americas, New York, NY. I am the Vice President, Advanced Services Systems, Quality and Performance. My responsibilities include advanced services' performance assurance and systems planning, implementation, and operations. I am also responsible for support functions such as business planning, program/project management, and regulatory compliance. I have more than 14 years of experience in the telecommunications industry in a variety of engineering and operations positions working for NYNEX, Bell Atlantic and now Verizon. Prior to assuming my current responsibilities, I was executive director, Process Assurance and Implementation, Network Operations for Verizon.

2. The purpose of this declaration is to explain the inefficiencies associated with providing broadband service through a multiple affiliate structure. Elimination of this requirement will allow Verizon to compete on equal terms with other broadband providers, including the dominant providers of such services, which will result in benefits to consumers.

3. Verizon has had experience with the inefficiencies produced by regulatory separate affiliate requirements in this area. Pursuant to a condition in the order that permitted the merger of Bell Atlantic and GTE, Verizon was required to provide certain broadband services through a separate affiliate. This requirement necessitated close to half a billion dollars in extra cost to Verizon, including capital expenditures for additional systems that would not have been needed absent the separate affiliate requirement of approximately \$164 million and approximately \$324 million in related expenses.

4. Broadband, by its nature, gains efficiency by integrating various services

over a single platform. Internet protocol networking allows the integrated provision of multiple services (voice, data, video etc.) flexibly, based on bandwidth needs and availability. Dismembering integrated broadband services and requiring that they be offered through multiple affiliates runs counter to this concept and will hamper the introduction of broadband capabilities into the network.

5. Unlike voice services categorizing broadband capabilities as “local” and “long distance” is inconsistent with customer expectations. Customers are increasingly viewing broadband capabilities as being unrelated to distance. Customers desiring broadband capabilities, especially large business customers, do not want to obtain local service from one entity and their long distance capabilities from either another carrier or another affiliate. Customers want to deal with one provider for their end-to-end service needs. Whether the customer’s physical locations are within the same central office boundary, the same state or for that matter multiple states, customers desire an integrated network capability, not a patch-work of multiple piece parts.

6. In addition, broadband services are relatively new and are used by only a fraction of the number of customers that use narrowband voice services. The added costs imposed by separation requirements are especially pernicious when spread across this smaller customer base.

7. Providing broadband services through structurally separate companies for the “local” and “long distance” segments of the service is inefficient and increases the cost of providing the total service. These inefficiencies are found in systems for provisioning/maintaining service, processes to manage the interaction of the multiple affiliate structure and multiple work groups to care for customers and the network. These

burdens are felt most heavily in the additional expenses and inefficiencies in operations, installation and maintenance activities.

8. Systems. A carrier uses network creation, ordering, provisioning, surveillance and service assurance (maintenance and repair) systems to provide its services. If it is required to break up what would otherwise be a single integrated end-to-end service into different pieces to be provided by separate corporate entities, each entity must have its own systems to manage its part of the service. This duplication is costly and inefficient.

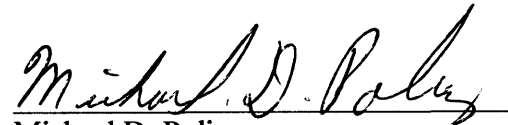
9. Processes. If multiple entities must work together to provide what would otherwise be a single integrated end-to-end service, they must develop processes to work with each other. These processes serve no business or customer need and only complicate and add cost to the service.

10. Work Groups. Carrier employees deal with customers, process orders and the like. Separation requirements would mean that multiple employees would be required to perform a function that a single employee could perform if the service was offered as a single integrated end-to-end service. To make matters still worse, because of the relative newness and smallness of this marketplace, individual work groups would likely not be large enough to operate efficiently.

11. Finally, the introduction of new technologies into the network can be hampered by the fact that Verizon must conduct integration testing for any new technology. Integration testing includes validation of a new technology against all of the associated systems that are affected. Under a separate affiliate structure, this means inefficiency through redundant testing of new technologies and systems and having to test the interfaces and interactions between systems used by different entities.

I declare under penalty of perjury under the laws of the United States of America
that the foregoing is true and correct.

Executed on June 28, 2002


Michael D. Poling